



CONSUMER SATELLITE COALITION

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Office of the Secretary
Federal Communications Commission
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
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The Honorable Donna R. Searcy, Secretary;

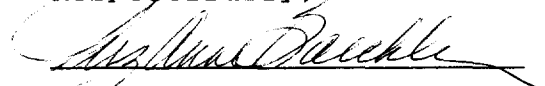
FCC - MAIL ROOM

On Behalf of the Home Satellite Dish consumers, the Consumer Satellite Coalition (CSC) is filing formally the enclosed comments in the Federal Communications Commission Inquiry into Encryption Technology for Satellite Cable Programming, PP-Docket No. 92-234.

Attached is an original and nine copies of the CSC comments to be distributed so that each Commissioner may have a personal copy.

Assuring your assistance in our comment filing is appreciated.

Respectfully;


Suzanne Baechler, founder
and Legislative Director
Consumer Satellite Coalition

Copies to: Representative Edward J. Markey
Senator Ernest F. Hollings

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FCC - MAIL ROOM

In the Matter of)

Inquiry into Encryption Technology)
for Satellite Cable Programming)

FCC Docket No. 92-234

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DEC 21 1992

TO: THE COMMISSION

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

COMMENTS OF THE
CONSUMER SATELLITE COALITION

The Consumer Satellite Coalition (CSC) respectfully submits these comments in the above-captioned proceeding.

The Consumer Satellite Coalition is a national, grassroots, nonprofit organization representing close to four million home satellite dish (HSD) owners, the great majority of whom live in rural areas of the United States. The CSC's mandate is to seek policies that protect the Home Satellite Dish consumer's investment and further the public interest in equitable access to programming and reception technology.

I. CSC's INTEREST IN THIS PROCEEDING

CSC and a growing number of television viewers are keenly aware that a new satellite television order is dawning. It is one that will make satellite transmission more essential and include a greater proportion of subscription television. However, CSC is concerned that, without FCC policies and interface standards that promote competition, this new television order will simply

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intensify dish owners' struggle to obtain stability and fair pricing in the sale of equipment and programming.

In 1991, CSC submitted a PETITION FOR INQUIRY/HEARING to the Commission which requested an opportunity to provide information demonstrating the need for government action to limit the General Instrument Corporation's (GIC) control over encryption technology.¹ In its petition, CSC stated: "there's hardly anything in the TVRO industry that is not directly impacted by the de facto monopoly that the VideoCipher represents."

To this day, GIC's control of the last link into the satellite dish owner's home stands in the way of a robust, competitive marketplace. For this reason, CSC strongly disagrees with the Commission's conclusion that marketplace developments "have rendered moot" the problems raised by CSC and respectfully requests that the information contained in its PETITION be considered alongside its comments in this proceeding.

CSC is also concerned about other marketplace developments which raise important issues of public access to programming and information. Consumers of video services are rightfully concerned about the potential consequences of the pressure now being exerted on the FCC by giant corporations eager to introduce digital video technology. The recent announcement by the largest cable systems owner, Telecommunications, Inc. (TCI) of plans to construct digital systems providing 500 channels of programming, using compression technology developed by AT&T and GIC, is just one example of the dramatic and turbulent changes taking place.

1. PETITION FOR INQUIRY/HEARING submitted by the Consumer Satellite Coalition, July 1, 1991.

CSC is not against technological innovation that would expand program options and improve picture quality. **However, CSC and its members would object to and resist the authorization of digital equipment that obsoleted existing television reception systems.** CSC believes that a careful FCC review of proposed digital technologies, resulting in standards and policy, is necessary to ensure that digital systems are affordable to the American consumer.

II. THE CABLE TELEVISION CONSUMER PROTECTION AND COMPETITION ACT OF 1992

The new Cable Television Act reflects the enormous frustration that cable television consumers have faced in recent years. As then Congressman C. Thomas McMillen stated, "the lack of competition and the subsequent abuse in the cable industry was the driving force behind the legislation."²

CSC finds quite significant the greater responsibility given the Commission in the Cable Act for bringing about effective competition. Specifically, after a decade of unregulated mergers and concentration in the cable industry, the Cable Act of 1992 directs the FCC to conduct an in-depth proceeding intended to result in policies limiting excess control.³

Whatever actions are taken by the Commission are likely to have a significant impact on HSD consumers. A section of the Cable Act of particular interest requires the Commission to

2. Keynote address by C. Thomas McMillen to the Satellite Broadcasting and Communication Association, August 7, 1992.

3. Cable Act of 1992, Sec. 11(c) Limitations on Ownership, Control, and Utilization; Commission Regulations.

establish regulations concerning the relationship of cable operators and other multichannel program distributors.⁴ This will, for the first time, guarantee fair competition in video program distribution, and offer HSD owners wider access to program services.

The same legislation grants the FCC authority to determine the circumstances in which scrambling and encryption are appropriate.⁵ Although the Cable Act of 1992 pays only limited attention to the particular concerns of dish owners, members of Congress were aware of the serious problems related to satellite dish decoders. This is evident from the letter sent to the Commission by Congressmen Edward J. Markey and C. Thomas McMillen in which they requested that the Commission review the issues raised in this proceeding.

HSD viewers are on the front line as the United States heads toward direct broadcasting satellite (DBS) transmission and the introduction of digital video technology. Dish owners are the first market targeted by TCI in its new digital venture. In addition, HSD owners are likely to be regarded as an unwanted group of independents, and a target market, by upcoming DBS owners.

4. Cable Act of 1992, Sec. 12 Regulation of Carriage Requirements.

5. Cable Act of 1992, Sec. 17(b)(2) Consumer Electronics Equipment Compatibility; Scrambling and Encryption.

III. GIC's DECODER MONOPOLY

A. Contributions to the Historical Record

Historically, the adoption of the GIC VC II encryption standard by HBO and other programmers has created unnecessary hardships and expense for HSD consumers. Since signal encryption started in 1986, GIC has controlled the encryption technology, manufacturing and supply of decoder modules; it has also controlled the price, terms and conditions of sale, the authorization of programming, repair and encryption changeovers of consumer modules. The only competition GIC encounters as a monopoly manufacturer is in the manufacture of integrated receiver decoders (IRD)s. Even here, up until 1992, GIC had significant control over competitors' design due to its patent for VC II module designs.

Since the inception of satellite encryption, the call for competition in the decoder marketplace has grown louder and louder. HSD owners for more than seven years have sought government action to limit GIC's market power and have worked hard to provide as much specific, relevant information to the Commission as possible.⁶

Although the Commission previously has denied requests for government action, CSC hopes that mounting evidence of injury and the serious concern stated by members of Congress will lead to the adoption of policies to bring about effective competition in the television industry.

6. A 1986 submission to the FCC by the Satellite Television Viewing Rights Coalition contained more than 100 pages of detailed information on satellite signal reception and problems HSD owners had in obtaining programming. See COMMENTS AND REQUEST FOR FULL EVIDENTIARY HEARING of the Satellite Television Viewing Rights Coalition, Inc. in General Docket No. 86-336, submitted October 20, 1986.

B. The Saga of the Decoder Upgrade

From the outset, GIC has besieged HSD owners with a continuous stream of module upgrades and other changes in technology. These have often been justified by GIC as essential for stopping piracy, although after a point each "upgrade" was proof that GIC's last attempt had failed.

Consumers have been expected to pay for most upgrades, except for the VC II and VCRS which was free to several subscribing legal consumers. If people refused defective product upgrades, then they risked the loss of their subscription program reception and many times paid for repairs or upgrades.

Moreover, GIC at times complicated the purchase of decoders unnecessarily. For example, with the halt of the production of the VC II in 1990, GIC attempted to force pay-per-view subscribers to upgrade to the VC II Plus, through their Product Evaluation Program (PEP). The VC II Plus, (of which over 2,000 were defective), which has been supplied to PEP consumers, does not carry free upgrade insurance, unlike later VC II Plus versions which provide free upgrades and Consumer Security Protection Program (CSPP) insurance.

The free upgrades gave VC II owners VC II PLUS and VC II Plus-Modem on Module (MOM) or Video Cipher Renewable Security (VC-RS) modules, all with CSPP insurance, which is a three-year free upgrade guarantee. Meanwhile, the owners of the VC II PLUS Blue Modules were left unprotected should there be another upgrade.

C. GIC's Harassment of DECTEC

Two years ago, facing true competition from the DECTEC Corporation, which was about to market a smartcard decoder, GIC engaged in a series of actions to keep DECTEC from entering the marketplace. GIC's actions included reverse engineering of DECTEC's software, seeking proprietary information from DECTEC's trade suppliers, campaigning with false information in the press and trade associations against DECTEC, and the blatant manipulation of Canadian law.

Using a procedure known as an Anton Pillar Order, which is unique to Canadian and British law, in 1991 General Instrument was able to enter DECTEC's offices and remove proprietary software and research files. Reliance on Anton Pillar also enabled GIC to seize DECTEC's inventory of devices still in the course of manufacture, so as to cripple DECTEC's ability to sell these devices in competition with GIC.

Months later, during which time GIC had total freedom to explore DECTEC's software, a Canadian court in Montreal ruled that GIC's actions had been unfounded and ordered it to return all documents and diskettes. Yet, even then, GIC made a mockery of Canadian justice by handing over the seized documents and diskettes to engineers of the Videocipher Division in San Diego.⁷

7. This incident was followed closely in TVRO industry publications and documented in submissions to the FCC by DECTEC. CSC's 1991 Petition submitted to the FCC also includes relevant information.

D.GIC Now Faces Competition with Titan -- Is that So?

In its Notice, the FCC acknowledges the emergence in 1992 of competition in the production of the VC II from the Titan Corporation. However, an investigation is needed of the links between GIC and Titan and of whether the Titan decoder, alone, can bring about meaningful competition.

Historically, Titan was MAA-COM/Link-abit, which is where GIC obtained the technology for the VC II and DBS Authorization Center. Furthermore, Titan has in its employ former employees from the executive end of GIC. These same people carried out several of the GIC policies that undermined the HSD owner's interest.

Titan claims that it will sell the VC II for less than GIC demands. In order to ascertain the competitive significance of this, the FCC would need to examine the particulars of the several transactions involved.

Recently, Titan told the trade press that it will sell the decoder to distributors for \$249.00. The distributors, in turn, sell to satellite dealers, who are likely to raise the price of the VC II to the dealer \$50.00 or more. The dealer then raises the VC II price \$50.00 plus and sells it to the consumer. Consumer prices of the Titan decoder could run as high as \$350.00. It is therefore quite possible that there will be little difference between the cost of the Titan and GIC modules, even though many programmers and engineers estimate that decoders should be retailed at \$200.00 or less.

The emergence of Titan as a decoder manufacturer is problematical. CSC believes the Commission could do a better job in opening up the market to competition, rather than locking consumers into products supplied by two companies that have inbred and intertwined interests.

E. CSC Recommends FCC Look at the S.U.N. Decoder Technology

In 1991, the possibility for actual decoder competition was created by the DECTEC Corporation, which sought to introduce the Security Universal Norm (S.U.N.) decoder interface. The SUN technology, which emulates and is compatible with other encryption systems offers a competitive product at a reasonable cost to consumers (\$200.00). At the same time, it allows programmers to have independent control over what encryption systems they wish to choose and authorize to their subscribers. The S.U.N. interface would virtually eliminate theft of programming services in the video marketplace, due to its reasonable cost and use of a smartcard to allow the frequent replacement of authorization codes.

CSC urges the Commission to seriously consider the S.U.N. decoder interface capabilities, including its potential for introducing bona fide competition in the decoder field.

IV. THE PERILS OF THE HSD CONSUMER

A. Electronic Counter Measures

Since 1986, HSD owners have been subjected to electronic counter measures (ECMs) carried out by the DBS Authorization Center under GIC's control. It is widely believed that ECMs are intended to zap the decoder boxes of unlawful cable satellite programming viewers. Yet on many occasions this electronic maneuver has darkened the screens of lawful, fully paid-up subscribers.

There are other, less well known, motivations for ECMing. On account of ECM attacks, legal consumers have been subjected to repair service by GIC for HSD decoder modules that were otherwise in good condition. HSD consumers know that ECMs also are used to make it possible for GIC to inspect the decoder modules of innocent subscribers and to pressure dish owners into paying for upgraded modules.

An example of an ECM zapping the wrong satellite dish took place on August 2, 1991, in Macon, Missouri. On that day, GIC sent electronic counter measures to the satellite dish of SuzAnne Baechler of Macon. Although GIC acknowledged that this had been done, it refused to reauthorize service. One year later, during which time Baechler was unable to receive program services she had paid for in advance and was required to continue making loan payments on equipment she could not use, GIC sent a representative out to Macon to evaluate the legality of Baechler's VC II. All along, GIC had insinuated that Baechler was guilty of piracy.

The representative affirmed that Baechler's equipment had not been tampered with and replaced her legal VC II with a VideoCipher module. However, to this day, Baechler has not been reimbursed for her considerable financial loss due to GIC unwarranted ECM. (See Baechler statement to GIC in Appendix)

There are hundreds of other instances of ECMing that were directed at an innocent HSD consumer. Unfortunately, once the presumption of guilt triggers an electronic zap, HSD owners must send their modules to GIC for inspection and pay to have their own equipment repaired.

The ECMed lawful subscriber then loses his or her financial investment for which there is no later compensation. CSC believes HSD owners of the GIC decoder module who have been unjustifiably ECMed should have the right to choose whatever repair service is most convenient and to be fully compensated financially by GIC, even when the warranty period for their module is over.

An article published in the July 1992 issue of Cable World magazine points out that Warner Cable of Milwaukee, Wisconsin, took steps to protect its legal cable subscribers against electronic counter measures (ECMs). It had been using two different manufacturers' cable boxes -- Pioneer and Jerrold (a GI-owned Corporation). Then, after recognizing that the Jerrold technology did not adequately protect the legal subscriber, Warner Cable of Milwaukee ceased using the Jerrold boxes and now uses only Pioneer's "Terminator" system which can be relied upon to disable pirated converter boxes only.

B. ECMing and the DBS Authorization Center

Echoing the concerns expressed by members of Congress, CSC believes that the introduction of bona fide competition in the satellite television industry must include eliminating GIC's control of the DBS Authorization Center.

GIC's control of the Authorization Center has allowed it to deprive legal television subscribers of costly programming services. Although GIC has spread word that the SBCA does the ecming, it has failed to provide information to support this.

It is not in the public interest for GIC to have control of the DBS Authorization Center. The entity designated to operate and administer the DBS Authorization Center should be insulated from undue influences that might undermine program diversity and competition.

Recently, several companies, including Titan and TCI, have announced that they plan to start independent authorization centers. The existence of multiple authorization services would raise separate issues of program pricing and interface standards, which are not a part of this proceeding.

In general, CSC believes that programmers should control service to subscribers. Only programmers should have control over their authorized services, which should be provided by their own uplink facility.

Furthermore, to minimize the likelihood that the services paid for by television viewers will be terminated, CSC recommends that the Commission establish reporting requirements for programmers and for decoder manufacturers who initiate actions

that interrupt the delivery of program services. CSC believes that HSD owners are entitled to complete and accurate information regarding this issue, which could be made available through FCC reporting requirements..

In addition, procedures should be established in which consumer complaints regarding service interruption can be submitted to the FCC. This would enable the Commission to gather information over time and to respond to consumer complaints when necessary.

C. Discriminatory Pricing of Programming/Decoders Provided to HSD Owners

On several occasions, in Congressional testimony and in petitions submitted to the FCC⁸, information has been presented regarding the discriminatory treatment of HSD owners.

Another way in which the HSD owner is disadvantaged is that the type of discounts regularly made available to cable subscribers wishing to view programs on more than one television set are not offered to HSD owners. Instead, HSD owners are required to purchase additional decoders at full price and to pay full price for programming transmitted to each television set in one's home.⁹

Many cable systems only charge a small monthly connection fee, typically no more than \$4.00, for each additional television

8. Footnote NRTC testimony and petitions filed with FCC

9. An example of what additional television transmission costs an HSD owner: 1 television set equals 1 decoder module receiver at a cost of at least \$818.00 dealer cost and \$1,000.00 paid by consumer. The average annual programming cost to the consumer for that 1 TV set is \$629.00, bringing the total to \$1,1,447.00.

To use a second TV set, the consumer must pay the same amounts over again, for a grand total of \$2,894.00.

set in the subscriber's home. A similar arrangement should be offered to HSD owners so that they also can have the benefit of using additional sets at a reasonable cost.

CSC suggests that a low cost "slave" decoder be developed that works with the homeowner's master VideoCipher decoder module. The "slave" unit could only be activated with a master module that has a Video-Pal or MOM authorized by the customer's residential phone number, through the Authorization Center. To minimize the likelihood of fraud, the same carrier current module would be able to identify to the homeowner's master module how many additional residential decoders were authorized by that phone line.

V. THE NEED FOR A STANDARD DECODER INTERFACE ESTABLISHED BY THE COMMISSION

A. A Standard Decoder Interface is Essential

The Notice suggests that the future for programmers is to choose from many video encryption technologies the one that suits their individual needs. In addition, the Commission indicates, there will be an array of hardware distribution and software receiving equipment available for sale to the public.

Yet the choices for programmers in encryption methodology, at one end, and for programmers and viewers (of cable; TVRO; wireless, etc.) regarding hardware at the other end, require the FCC to establish a standard decoder interface. The standard interface is essential to protect consumers' investment in residential equipment and to minimize the inevitable disruption

caused by the introduction of new technologies in the rapidly expanding television industry.

The standard decoder interface should be universal and the sole product marketed and used by all TV viewing consumers. To that end, it should be totally compatible with all hardware systems sold in the marketplace. The decoder interface also could be used at the cable headend, which would end theft of service by cable subscribers. According to industry data, this would mean a savings of some \$30 million dollars annually to the cable industry.

B. The Smartcard

An optimal approach to the standard decoder interface would involve the use of individually authorized smartcards which would be capable of accepting, through its multiple ports, each individual programmer's selected encryption standard.

Smartcards should be designed to be updated only in conjunction with the standard decoder interface and could be changed with billing statements on a periodic basis.

In order to bring stability to the marketplace of television technologies and services, smartcards should be the only method used for authorizing (and descrambling) programmers' encrypted services. A standard shape and size for the smartcards could be established, one that would be compatible with the standard decoder interface, regardless of other developments in the marketplace.

A smartcard design that was embraced by all programmers and equipment vendors would open up intense competition between various encryption technologies. It also would create abundant competition among hardware system manufacturers and, moreover, would involve minimal inconvenience to consumers.

VI. PROBLEMS FOR CONSUMERS RELATED TO DIGITAL VIDEO TECHNOLOGY

A. Digital Video Technology is not Ready for Use by Consumers

The FCC's responsibility under the Communications Act of 1934 includes the introduction of new technologies which are in the public interest. In choosing among competing systems, the FCC has historically emphasized compatibility with consumer technology already in use.

The Cable Act of 1992 affirms the continued importance of this principle for today. In provisions that demonstrate detailed knowledge of the needs of subscribers, and of the tricks played by some cable operators, the Act outlines information that members of Congress believe policy makers need on the issue of equipment compatibility. The FCC is directed to provide a report to Congress within a year on means of assuring compatibility and is expected to issue such regulations as are necessary to assure such compatibility (emphasis added)..¹⁰

The same section of the Cable Act provides a list of criteria upon which the Commission is to base its determinations on the

10. Cable Act of 1992, Sec.17(a)(1) Consumer Electronics Equipment Compatibility.

appropriateness of encryption systems and other access restrictions imposed on consumers by the cable industry.¹¹

These astute sections of the 1992 Cable Act do not specifically include satellite decoders. Yet they amply reflect Congressional concern about general problems pertaining to scrambling which, increasingly, is diminishing consumer access, as well as about the possibility that new technologies will render consumer equipment obsolete.

B. The Central Issue of Equipment Compatibility

Over half of the expenditure on satellite equipment by HSD consumers is on the electronics within the home. Consumers will not go through re-investment in possibly non-compatible digital equipment. Furthermore, the need to sell equipment which was not compatible would destroy the independent dealer's credibility. As this transpired, it would drive away new consumers of "dish" technology. Already, HSD owners have become "gun shy" due to indications that new systems will obsolete the equipment that has already proven costly due to decoder upgrades and unexpected maintenance fees.

The CSC observes that the Commission today is under great pressure to allow the introduction of digital video technology. However, in CSC's view, the technology that has thus far been announced may not be the most efficient (in terms of spectrum use) or practical (in terms of compatibility with existing residential equipment). At the very least, time is needed so that

11. Cable Act of 1992, Sec. 17(c)(1), Consumer Electronics Equipment; Factors to be Considered.

the Commission can make a thorough study of the matters at stake.

CSC's concern harks back to an earlier time, in the 1940s and 1950s, when the Commission was presented with a choice between different color TV technologies. Seeking to capture the field, CBS submitted a petition which was initially rejected by the Commission in 1947.

The FCC 1947 Annual Report stated:

While recognizing the advances that have been made in color television development, the Commission concluded that further experimentation is needed...Also a decision must be made on standards. Otherwise, the public could not purchase receivers with any assurance that they would be able to receive programs from all television stations, or that their sets would not become useless if the existing station should change any of the fundamentals. (Thirteenth Annual Report of the Federal Communications Commission, Fiscal Year End June 30, 1947).

However, after World War II, intense politicking by CBS led the Commission to endorse its technology, which then failed in the marketplace. Subsequently, perhaps remembering the wisdom of its earlier decision, the Commission backed RCA's NTSC color television system, which was compatible with the black and white television sets available at that time.¹²

C. Politicking Could Lead the Commission Astray

CSC urges the FCC not to repeat its earlier mistake. Although digital signal technology is just around the corner, it still remains for a particular technology to be accepted. Most of the technologies that companies now contemplate introducing would

12. See Inglis, Andrew F., Behind the Tube: A History of Broadcasting Technology and Business, p. 266-268, London: Butterworth (1990).

bring obsolescence to consumer equipment, as they would not be compatible with the NTSC standard.

Only the programmers would benefit by the replacement of the NTSC standard with a Digital Video Standard. Programmers estimate that by transmitting their programming via digital video compression they could save some three-quarters of a million dollars on a monthly basis. Yet, this new standard would not result in cost savings for the end user. Rather, the implementation of the new standard is more likely to escalate consumer costs for equipment and multiply the price of programs delivered to the home.

D. CSC's Recommendations in the Area of Digital Technology

In an effort to suggest a compromise that is satisfactory to both consumers and the big media owners, CSC offers the following suggestions; these involve both the most effective use of available frequencies, as well as reliance upon compatible consumer technology:

Programmers seeking to move to a digital standard claim that they would save three-quarters of a million dollars through the use of digital signal compression. However, to do this, they would need to transmit with a surpress carrier, which would not be compatible with existing satellite receivers.

If the Commission intends to accept the introduction of digital technology which is not compatible with existing equipment that is based on the NTSC and used throughout the United States and eleven other countries in this hemisphere, then

it should conduct a rulemaking to consider how consumers will be compensated for the obsolescence of their equipment.

CSC would argue that those companies pushing the adoption of a new standard should be required to replace all obsoleted equipment with the equipment needed to receive the programs subscribed to by consumers, at no cost or inconvenience of consumers.

CSC Finds Zenith the Best of the Existing Choices

The technology which the CSC finds optimal from the consumer standpoint and would get the most out of available frequency space is the one presently being developed by the Zenith Corporation. This technology digitizes program information, compression and transmission of information. In addition, it will allow for higher resolution of video information -- as much as 1,000 lines of video, in contrast to the 525 we have now. The Zenith technology also is expected to be compatible with current technology. If it is not compatible, satellite receivers will be useless with the digital format.

CONCLUSION

CSC believes the time has come for the Commission to end its tolerance of GIC's de facto decoder monopoly. Indeed, the General Instrument Corporation's market power has been devastating to the TVRO marketplace.

A central objective in realizing true competition in the video marketplace is to level the playing field. As explained in these comments, CSC recommends that GIC's virtual total control of the manufacturing and sale of decoders, and the authorization of program service be eliminated. Programmers alone should be able to interrupt subscribers' receipt of programming due to nonpayment or alleged illegal activity.

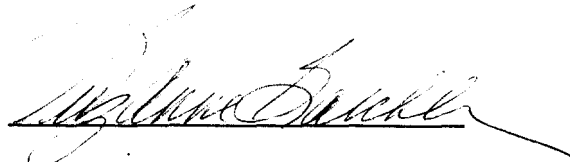
In addition, all companies utilizing authorization centers for subscriber programming should be required to submit information regularly to the Commission. CSC urges the Commission to establish guidelines that would enable it to monitor anti-piracy actions by programmers, including those that disrupt service to consumers of cable television, satellite-transmitted and wireless communication services.

CSC recommends that the Commission hold at least one public hearing prior to issuing its report in this proceeding on the way in which existing satellite encryption technology has been marketed to the consumer. This hearing should, if possible, take place outside Washington in order to solicit testimony from rural HSD owners, who constitute the vast majority of dish owners.

The information generated by such a hearing would prove useful in developing policy to spur greater competition in satellite decoder technology and could be helpful in the Commission's determinations related to the introduction of digital video technology.


Finally, CSC calls upon the FCC to establish policies to foster public access to the widest possible range of television programs. This would necessarily include the Commission's selection of a standard decoder interface which would be compatible with all hardware systems sold in the marketplace.

Respectfully submitted,



SuzAnne Baechler, founder
and Legislative Director
Consumer Satellite Coalition
Route 4 Box 169
Macon, Missouri 63552

Of Counsel:



Donna A. Demac, Esq.
(212) 998-1880

DATE

12/21/92

APPENDIX OF CONSUMER AFFIDAVITS

AS A REPRESENTATIVE OF GENERAL INSTRUMENT CORPORATION MS. SUZANNE BAECHLER (customer) REQUESTS THAT HER WRITTEN STATEMENT BE ATTACHED TO GENERAL INSTRUMENT CORPORATION CUSTOMER CONTRACT OF SEPTEMBER 23, 1992.

STATEMENT

By Suzanne Baechler

Beginning August of 1990, as a pay-per-view customer, I participated in the General Instrument VideoCipher II PLUS module Product Evaluation Program (PEP). I continued to evaluate various VCII PLUS's through January of 1991. None of the VCII PLUS's in the PEP were compatible with my General Instrument 2400-R IRD. At the end of January 1991, I withdrew from the PEP program and re-installed my legal VideoCipher II module and VideoPal. General Instrument's DBS center refused to put my VideoPal back into operation, therefore they obsoleted my VideoPal equipment.

On August 2, 1991 at 8:50 PM CDT, General Instrument Corporation sent Electronic Counter Measures (ECM's) to my legal VCII which de-authorized reception of all my paid for in advance subscription programming services, leaving my legal VCII only operative to receive PBS and other services that were in fixed key authorization mode. General Instruments refused to reauthorize my legal VCII as was verified by two (2) phone calls August 5, 1991 by me to General Instruments to which employee "Debbie" of General Instrument acknowledged my legal VCII was ECM'd and would be noted on my record that General Instruments keeps on me.

In October of 1991 General Instrument Corporation's DBS center removed my Pay-per-View credits of \$49 logged in my legal VCII data bank.

I have not been reimbursed for the financial losses caused me by General Instruments when they obsoleted my VideoPal; disenfranchised my subscription programming contracts that were authorized to my legal VCII, which also disenfranchised me for over a year from the free VideoCipher module exchange program for VCII owners; or my rental costs I had to pay for use of a defective VCII PLUS after my VCII was ECM'd, which created a extra financial hardship on me. As a final note; I resented having to continue honoring payments to my bank loan for my legal VCII module incorporated in my 2400-R IRD (by General Instrument) and satellite system after General Instrument ECM'd my legal VCII module months before my bank loan was paid off.

Today, September 23, 1992, General Instrument Corporation sent their representative, Mr. Dave McKiver, from General Instrument's North Carolina headquarters to evaluate the legality of my VCII and install a different VideoCipher module in exchange for my legal VCII. I accept this module swap out under protest, as I have not been reimbursed for the financial losses or obsolescence of my equipment caused me for over a year by General Instrument Corporation.

Witnesses: _____
